

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN MARK NOENNIG**, on March 8, 2001 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Mark Noennig, Chairman (R)
Rep. Jeff Mangan, Vice Chairman (D)
Rep. Joan Andersen (R)
Rep. Eileen Carney (D)
Rep. Larry Cyr (D)
Rep. John Esp (R)
Rep. Dennis Himmelberger (R)
Rep. Hal Jacobson (D)
Rep. Rick Laible (R)
Rep. Jesse Laslovich (D)
Rep. Bob Lawson (R)
Rep. Michelle Lee (D)
Rep. Brad Newman (D)
Rep. Ken Peterson (R)
Rep. William Price (R)
Rep. James Whitaker (R)
Rep. Cindy Younkin (R)

Members Excused: Rep. Rod Bitney, Vice Chairman (R)

Members Absent: None.

Staff Present: Eddye McClure, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 144 SB 198 SB 199, 3/2/2001
Executive Action: SB 199

HEARING ON SB 144

Sponsor: Senator Linda Nelson, SD 49

Proponents: Judy Paynter, Department of Revenue
Kathy Muri, Department of Administration

Opponents: None

Informational Witness: Curt Nichols, State Budget Office

Opening Statement by Sponsor: Sen. Nelson is carrying SB 144 at the request of the Dept. of Revenue. This bill changes the responsibility for the county collection report. Presently the counties collect the various revenues, submit them to the Dept. of Administration to record, then the Dept. of Administration transfers the funds to the Dept. of Revenue. The responsibility needs to be with the Dept. of Revenue and by-pass the Dept. of Administration. {Tape : 1; Side : A; Approx. Time Counter : 0 - 2}
{Tape : 2; Side : A; Approx. Time Counter : 0 - 1.7}

Proponents' Testimony: Judy Paynter, Dept. Of Revenue. My job is to monitor state tax revenue and track financial activities. These revenues involve approximately 300 million dollars. We need one agency to be responsible for the collection report. {Tape : 2; Side : A; Approx. Time Counter : 1.7 - 6}

Kathy Muri, Dept. of Administration. The treasury within the Dept. of Administration has historically been the collection point for county revenues. The Dept. of Administration then sends these funds on to the Dept. of Revenue. It only makes sense that this function be transferred to the Department of Revenue. {Tape : 2; Side : A; Approx. Time Counter : 6 - 7.2}

Informational Witness testimony: Curt Nichols, State Budget Office. I did not know where I fit into witnesses. The Budget Office has an amendment to offer for this bill. He explained the reason for the amendment and what this amendment would do. **EXHIBIT** (loh53a01) {Tape : 2; Side : A; Approx. Time Counter : 7.2 - 11.9}

Questions from Committee Members and Responses: Rep. Liable: Judy Paynter, we are transferring these duties from the Dept. of Administration to the Dept. Of Revenue. How will this bill relate to HB 124? **Judy Paynter:** I was the chief facilitator for the

entire staff and it became my goal to make the state finances understandable. This bill will dovetail very well with HB 124.

Rep. Mangan: **Sen. Nelson,** We just had a bill in Judiciary today that involving transfer of function and it had a fiscal note attached, and this bill does not. How many FTE's will this require and what happens to the 3 FTE's that are doing the job now at the Dept of Administration? **Sen. Nelson,** you should probably as the Dept. of Administration that. It is my understand the costs will be absorbed by the Dept. of Revenue. **Judy Paynter:** The functions are handled by 3 FTEs, however, the total combined hours they work on the this project is 8 hours per month. The Department of Revenue can absorb these costs. **Rep. Manger:** **Sen. Nelson,** You have seen the amendments, do these amendments fall within the title of the bill. **Sen. Nelson,** I assume they do. **Curt Nichols,** it was my thought that they would.

Rep. Peterson: **Ms. Paynter,** if HB 124 passes will SB 144 function independently and give the Dept. of Revenue what they need. **Ms. Paynter,** Yes, it will. **Rep. Peterson:** have you seen the amendments? **Ms. Paynter;** No, I have not seen them. It was our legal staff that wrote the opinion and I am comfortable with them.

Rep. Laslovich: **Mr. Nichols,** I am looking at your amendments, in Section C please explain the 50% and the 25% figures. **Curt Nichols:** I merely copied them from current law.

Rep. Noennig: **Ms. Paynter,** are these the same revenues that are in HB 124 or is it a mixture of several revenues? **Ms. Paynter:** Some of the revenues are involved. This bill would simplify the disbursement system. **{Tape : 2; Side : A; Approx. Time Counter : 11.9 - 28.5}** **Mr. Noennig,** I did not follow you analysis. Is there a memo that explains this or could you get me a copy of the explanation. **Curt Nichols:** Yes, I will get that for you.

Rep. Esp: **Ms Paynter,** on page 9, line 12, I see a date change, what does that do? **Ms. Paynter:** I need to check on that, I will get back to you with that information.

Rep. Lee: **Mr. Nichols,** I need to understand the RITT portion of this bill. **Mr. Nichols:** The trust will reach 100 million in fiscal year 2003. **{Tape : 2; Side : A; Approx. Time Counter : 11.9 - 28.5}**

Closing by Sponsor: **Sen. Nelson** closed SB 144 by offering a summary of the comments. **{Tape : 2; Side : A; Approx. Time Counter : 28.5 - 30}**

HEARING ON SB 198

Sponsor: Sen. Taylor, SD 37

Proponents: John Fitzpatrick, Travel America
Dick King, Missoula Economic Development Council
Willy Duffield, Fallon County Commissioner & MACO

Opponents: None

Opening Statement by Sponsor: Sen. Taylor introduced SB 198. We are trying to expand economic development. This bill allows local governments to bond for business infrastructure providing they meet banking standards. These bonds are guaranteed by the coal trust and do not spend principal or interest. The bonding will be put into HB 8 as a coordinating bill. The businesses would have to repay the local government for these improvements and when the loan is repaid the local government would own the infrastructure. **{Tape : 2; Side : B; Approx. Time Counter : 0 - 10.7}**

Proponents' Testimony: John Fitzpatrick, Touch America. I opposed this bill in the Senate because it needs an amendment on page 6, line 12. There is a reference to high speed telecommunications and no definition of this. We need a definition. **EXHIBIT (loh53a02) {Tape : 2; Side : B; Approx. Time Counter : 10.7 - 13.7}**

Dick King, Ex. Dir. Of Missoula Area Economic Development Council
We support this bill as it provides another tool to help with economic development. **{Tape : 2; Side : B; Approx. Time Counter : 13.7 - 14.6}**

Willy Duffield, Fallon County Commissioner and I am representing MACO. We support this bill. **{Tape : 2; Side : B; Approx. Time Counter : 14.6 - 15.2}**

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: Rep. Carney asks for an explanation on how this bill would work. Sen. Taylor explained the mechanics of this bill and the reason it is needed to retain established businesses and attract new businesses. The loan application requires an audited financial statement. Rep. Esp and Rep. Price question the amounts of monies loaned and how it will be recovered. Sen. Taylor explained by giving an example of a

potential loan. {Tape : 2; Side : B; Approx. Time Counter : 15.2 - 30} {Tape : 1; Side : A; Approx. Time Counter : 3 - 29.3}

Closing by Sponsor: Sen. Taylor closed SB 198. {Tape : 1; Side : A; Approx. Time Counter : 29.3 - 30.1}

HEARING ON SB 199

Sponsor: Sen. Taylor, SD 37

Proponents: Wally Duffield, MACO

Opponents: None

Opening Statement by Sponsor: Sen. Taylor introduced SB 199. SB 199 allows local governments to have non violent offenders clean up weeds in the area. They can work on private or public land. {Tape : 1; Side : B; Approx. Time Counter : 0 - 3.7}

Proponents' Testimony: Wally Duffield, MACO. We support this bill. {Tape : 1; Side : B; Approx. Time Counter : 3.7 - 4.5}

Opponents' Testimony: None

Questions from Committee Members and Responses: Rep. Carney, Rep. Laible and Rep. Price asked the sponsor if the offenders need to be covered by workers compensation and if they need to be certified or licensed to apply weed spray. **Sen. Taylor:** They do not have to be covered by workers compensation. I am not familiar with what is required to apply weed spray. I will try to get that information for you. {Tape : 1; Side : B; Approx. Time Counter : 4.5 - 15.7}

Closing by Sponsor: Sen. Taylor closes SB 199. {Tape : 1; Side : B; Approx. Time Counter : 15.9 - 16.9}

EXECUTIVE ACTION ON SB 199

Motion/Vote: REP. YOUNKIN moved that SB 199 BE CONCURRED IN. Motion carried unanimously. {Tape : 1; Side : B; Approx. Time Counter : 16.9 - 19.9}

NOTE: Tape 1 is used to start the meeting for 4 minutes, then due to malfunction of recorder, we switched to Tape 2 and then we returned to Tape 1.

ADJOURNMENT

Adjournment: 5:22 P.M.

REP. MARK NOENNIG, Chairman

PATI O'REILLY, Secretary

MN/PO

EXHIBIT (loh53aad)